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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 001078

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SUBJECT: AMBASSADOR VISITS ANZOATEGUI AND NUEVA ESPARTA

REF: 05 CARACAS 0003809

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Classified By: POLITICAL COUNSELOR FRANCISCO FERNANDEZ,
REASONS 1.4 (B) AND (D)

11. (C) Summary. During a July 25 - 29 visit to Anzoategui and Nueva Esparta, the Ambassador met with local political leaders and media. Almost all interlocutors were in agreement that pro-opposition Nueva Esparta Governor Morel Rodriguez was a near lock to be re-elected in November's gubernatorial election. While pro-Chavez Anzoategui Governor Tarek Saab's chances were somewhat lower, they have improved due to opposition missteps. The Ambassador highlighted the Embassy's continuing engagement in the two states through visits to an American Corner, an environmental organization, a baseball clinic, and a drug rehabilitation clinic. It was also clear throughout the visit in Nueva Esparta that the governor worked to avoid a repeat of the incident that occurred during the last visit of the previous U.S. Ambassador to Nueva Esparta. The extensive press coverage at all events was positive. End Summary.

NEPOTISM IN LECHERIA

12. (C) The Ambassador's trip began with a warm reception by Mayor of Lecheria Gustavo Marcano in Anzoategui. Marcano, in his late twenties and a member of political party Primero Justicia (Justice First), is a pre-candidate for Governor of the state. He told the Ambassador at lunch that he was confident he would be named the unified opposition candidate in early August to run against unpopular incumbent Tarek Saab. (As it happens, Marcano was named an alternate opposition candidate on July 30 and will run if another leading candidate remains ineligible.) The Mayor then accompanied the Ambassador to the American Corner, where the Ambassador witnessed a play performed by young English language students, presented gifts from the Embassy and spoke to gathered press. His comments about U.S.-Venezuela relations were reported in regional and national press.

13. (C) Comment. Marcano, though popular for his record of real achievement in Lecheria, has been criticized for a number of missteps. He appointed his mother head of the municipality's social services, where the American Corner is co-located. He has now supported his mother to run for Mayor of Lecheria in his place, allowing him to in effect run for both the mayorship and governorship concurrently. Chavista press has labeled the effort, "el pacto de mami y papi (the pact of mommy and daddy)." Media and political interlocutors told the Ambassador that this situation would hurt the

opposition's chances in November of taking Anzoategui's governorship. They said that the Governor's seat should have been easily won by the opposition, but the lack of a unified candidate and apparent nepotism have hurt the opposition's credibility and its chances of taking the seat in the upcoming elections.

CHEVRON, PDVSA, AND ELECTION SPECULATION

¶4. (C) The Ambassador met with Chevron's Venezuela Offshore and Trinidad Operations Manager Nicola Woods and PetroPiar Manager Ron Lubojacky (protect) in Lecheria. Woods told the Ambassador that Trinidad and Tobago has signed a bilateral treaty on oil field rights, but that there were not yet agreements on individual fields. Both Woods and Lubojacky believed that the election results in November would not likely affect oil production, but that PDVSA officials in Anzoategui appeared to be worried about the election outcome. They also said that political calculations ruled personnel decisions in PDVSA.

GOVERNOR MOREL, FOUR TIME STATE CHAMPION

¶5. (C) Governor Morel Rodriguez, already a four-time governor of the archipelago, is highly popular among Nueva Esparta state's population. The state is composed of three islands, Margarita Island, Coche, and the largely uninhabited Cubagua. The Ambassador opened his trip to Margarita Island with breakfast with the Governor. Rodriguez said that housing was among the biggest concerns for his government. He also said that crime, while still lower than in much of

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the rest of the country, was on the rise. The Governor described some of his social and economic development plans, including scholarships for fisherman and insurance programs for workers in the informal sector. The state's working class voters, Rodriguez told the Ambassador, respected his government because of such programs aimed at them. Primero Justicia party official and mayoral candidate Francisco Torcat confirmed the governor's view of his chances and commented to the Ambassador that Morel's popularity rested on the state's well-funded and well-run social and economic development programs.

¶6. (C) Rodriguez's close advisor and the State's Secretary General Bower Rosas was among many who expressed concern to the Ambassador that the BRV would attempt to disqualify Rodriguez from running in light of his popularity and the likelihood that he would easily win in November. Rosas, a young party leader, also told the Ambassador that President Chavez' unified party, the United Socialist Party of Venezuela (PSUV), was wildly exaggerating its strength in Nueva Esparta, claiming more than 70,000 members. Rosas said polling from his office indicated a level of membership of closer to 14,000. He also expressed confidence that opposition candidates would win nine out of eleven municipalities in the state.

¶7. (C) Comment. Throughout the Ambassador's trip, it was apparent that Morel's government did not want a repeat of incidents in 2005 when former Ambassador to Venezuela William Brownfield visited Margarita Island and pro-Chavez protesters threw rocks (reftel). The Nueva Esparta state government provided several police vehicles and added an ambulance to the Ambassador's security detail in an effort to be prepared for any eventuality. End Comment.

VENAMCHAM - TOURISM AND GOVERNMENT CONTRACTS RULE THE DAY

¶8. (C) VenAmCham sponsored a cocktail for the Ambassador hosted by Pedro Castillo, a prominent hotelier with important government contracts. Castillo commented privately that he asked BRV Finance Minister Ali Rodriguez Araque for his view on hosting the Ambassador and reported that Rodriguez agreed, indicating that the BRV was looking to improve relations with the U.S. Nueva Esparta is heavily dependent on tourism, in which the majority of VenAmCham businessmen were involved. During the event, the hosts stressed the difficulties of working in their industry in Venezuela's unfriendly business atmosphere.

THE DUTCH TAKE - DRUG-RELATED CRIME

¶9. (C) Honorary Dutch Consul Jaap van Adelberg (protect) shared breakfast with the Ambassador, and raised drug-related crime as his major concern. He said that 80 Dutch citizens were incarcerated in Venezuela, half of them in Nueva Esparta, and nearly all on drug-related charges. Van Adelberg added that corruption, fueled by the trade and transport of narcotics, was at the same time both blatant and ignored by Venezuelan National Guard elements at the island's airports.

SOCIAL ACTION SITE VISITS

¶10. (SBU) The Ambassador and Mrs. Duddy visited an Embassy-funded baseball clinic and two nongovernmental organizations, environmental group Provita, and drug rehabilitation clinic Hogares Claret (Claret's Homes), that received funds from the Embassy's Public Affairs section and USAID. The baseball clinic, part of a series of Embassy-funded baseball/demand reduction clinics called 'Baseball and Friendship,' was well attended by little leaguers and local press. The Ambassador and Mrs. Duddy emphasized the importance of staying free of drugs to the children and presented them with tee shirts expressing the clinic's theme, "yes to sports, no to drugs."

¶11. (SBU) Hogares Claret provides counseling and rehabilitation services to the island's recovering drug addicts. The Ambassador and Mrs. Duddy received a tour of the clinic and presented the clinic with books and other reading materials from the Embassy. The Ambassador also

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spoke to the clinic's patients, urging them to continue with their rehabilitation. The Ambassador and Mrs. Duddy then visited the headquarters of Provita, an organization dedicated to preserving Margarita Island's environment and wildlife, and presented the group with research materials and dictionaries before touring one of the nature reserves Provita helps protect.

BROAD MEDIA COVERAGE

¶12. (C) The Ambassador's trip received extensive and positive press coverage from national and local outlets. Even before departing for Anzoategui, national daily El Universal and regional dailies published articles announcing the trip. The Ambassador was interviewed by daily El Tiempo in Lecheria, radio station 98.1 SuperStereo in Nueva Esparta (which also broadcast the interview on Voice of America's "Enfoque Andino"), Nueva Esparta television channel Telecaribe, and centrist daily El Sol de Margarita. The trip also generated positive press from the Ambassador's visits to Provita and the baseball clinic. National opposition news outlet Globovision and international network Radio Caracas Television (RCTV) gave several minutes of coverage to the baseball clinic. International and national television

channels RCTV, Televen and Venevision aired the Ambassador's Q&A session at the American Corner. Regional dailies La Nueva Prensa and El Norte carried front page coverage of the Ambassador's visit in general and El Sol de Margarita dedicated a large part of its sports section to the baseball clinic. (The message was consistent: relations are difficult but we are open to improving relations with Venezuela, particularly in the area of anti-drug cooperation.

¶13. (C) In visits to dailies El Tiempo and El Sol de Margarita, as well as TeleCaribe, it was clear that media outlets in the region are benefiting from overall economic growth. All discussed recent investments, and plans to expand operations. However, due to their dependence on advertising revenue from the government (in El Tiempo's case representing 50 percent of total advertising revenue), the regional dailies seem to exercise considerable self-censorship and keep editorializing to a minimum. TeleCaribe, which plans to become the sixth open signal network in seven regions, and needs to remain pragmatic in its programming, currently broadcasts Televen's "Jose Vicente Hoy," a weekly program by former Vice President and Chavez ally Jose Vicente Rangel. TeleCaribe's Executive Vice President Alquiles Gatas said the channel will be balanced while it makes sure to carefully abide by national laws.

DUDDY